

HBM Healthcare Investments Ltd

Bundesplatz 1, 6300 Zug

Invitation to the 13th Ordinary Shareholders' Meeting

Friday, 20 June 2014, 2.30 pm

**Parkhotel Zug
Industriestrasse 14
6300 Zug**

The admissions office opens at 2.00 pm

Agenda and motions of the Board of Directors:

- 1. Annual report, statutory financial statements and consolidated financial statements 2013/2014; reports of the auditors**

Motion: *Approval of the annual report, statutory financial statements and consolidated financial statements for the 2013/2014 business year*

- 2. Discharge from liability of the members of the Board of Directors and Management**

Motion: *Discharge from liability of the members of the Board of Directors and of the Management for the 2013/2014 business year*

- 3. Appropriation of results**

Motions: 3.1 *Carry forward the accumulated profit of CHF 11'937'741 to the new account:*

<i>in CHF</i>	<i>2013/2014</i>
<i>Profit for the year</i>	<i>278'600'183</i>
<i>Loss carryforward</i>	<i>- 266'662'442</i>
<i>Accumulated profit</i>	<i>11'937'741</i>

- 3.2** *Pay a withholding tax-exempt distribution from the reserves from capital brought in of CHF 3.-- per entitled share*, i.e. a maximum of CHF 25.7 million.*

* All registered shares in HBM Healthcare Investments Ltd which are not held by the Company itself are entitled to receive a distribution. Changes in the Company's holdings may still change the number of entitled shares.

In view of the business result for the year, the Board of Directors proposes a cash distribution of CHF 3.-- per share, in the form of a withholding tax-exempt dividend from the reserves from capital brought in. Should the motion be passed, the cash payment of CHF 3.-- per registered share will be made on 27 June 2014. Registered shares which are entitled to receive a dividend will be traded for the last time on 23 June 2014. As of 24 June 2014 they will be traded exclusive of any distribution entitlement (ex date).

4. Elections regarding the Board of Directors

4.1 Re-elections

Motions:

- a. *Re-election of Prof. Dr h.c. mult. Heinz Riesenhuber as member of the Board of Directors to the close of the 2015 Ordinary Shareholders' Meeting*
- b. *Re-election of Dr Eduard Holdener as member of the Board of Directors to the close of the 2015 Ordinary Shareholders' Meeting*
- c. *Re-election of Mr Robert A. Ingram as member of the Board of Directors to the close of the 2015 Ordinary Shareholders' Meeting*
- d. *Re-election of Dr Rudolf Lanz as member of the Board of Directors to the close of the 2015 Ordinary Shareholders' Meeting*
- e. *Re-election of Mr. Mario Germano Giuliani as member of the Board of Directors to the close of the 2015 Ordinary Shareholders' Meeting*
- f. *Re-election of Mr. Hans Peter Hasler as member of the Board of Directors to the close of the 2015 Ordinary Shareholders' Meeting*

Prof. Dr Heinz Riesenhuber has been a member of the Board of Directors since 2001. He is a certified chemist and has 15 years' industry experience as the CEO of subsidiaries of Metallgesellschaft AG. Prof. Riesenhuber has been a member of the German Federal Parliament since 1976, and served as Federal Minister of Research and Technology from 1982 to 1993. Prof. Riesenhuber is a member of the Investors Committee of Heidelberg Innovation BioScience Venture II, and Honorary Chairman of the Supervisory Board of Kabel Deutschland GmbH.

Dr Eduard Holdener has been a member of the Board of Directors since 2008. He is an onco-haematologist, and has 14 years' clinical experience in a hospital environment in Switzerland and the USA, as well as 22 years' experience in clinical research and development at Roche. In his last eight years at Roche, he was Head of Global Clinical Development in Oncology, as well as member of the Pharma Executive and the Corporate Executive Committee. Dr Holdener is a director of Parexel international Co, Cellerix SA, Tigenix NV, and Chairman of the Board of Directors of NovImmune SA.

Mr **Robert Ingram** has been a Member of the Board of Directors and Member of the Nominating Committee since 2006. He is an economist, and his knowledge of the pharma industry is virtually unparalleled. His personal network world-wide is of irreplaceable value, especially in the USA, where the majority of HBM Healthcare Investments'

portfolio companies are based. Mr Ingram worked at GlaxoSmithKline for 20 years, in positions including Chairman, COO and CEO. He is a director of Valeant Pharmaceuticals International, Edwards Lifesciences, and Cree Inc.

Dr Rudolf Lanz has been a member of the Board of Directors, Member of the Audit Committee and Member of the Nominating Committee since 2003. He has a master's degree in economics and a doctorate in law, and has spent much of his professional life in acquisitions, divestments, mergers and major financing transactions. For 20 years, Dr Lanz worked mainly in management positions at Ernst & Young, before founding "The Corporate Finance Group" with partners, and becoming the Chairman of its Board of Directors. Dr Lanz is a director of Abilita AG, Agilita AG, Pearls Fashion Holding AG, and Ramatech Systems AG.

Mr **Mario Germano Giuliani** has been a member of the Board of Directors since 2012. He is an economist. In the course of 15 years at his family pharmaceutical company, Milan-based Giuliani SpA, he has held positions at all levels. He was appointed Chief Executive Officer in 2001, and Chairman of the Board of Directors in 2003. Mr Giuliani is a director of Mosaix Ventures LLP, Royalty Pharma and Recordati SpA.

Mr **Hans Peter Hasler** has been a member of the Board of Directors since 2009, and its Chairman since 2011. He knows the biotech business. Mr Hasler spent eight years each in leading positions at Biogen Idec and, previously, Wyeth. He is a Director of MIAC AG (Medical Imaging Analysis Center AG, a not-for-profit organisation set up by the University Hospital of Basle) and of AOP Orphan Pharmaceuticals AG.

4.2 Election of the Chairman

Motion: *Election of Mr. Hans Peter Hasler as Chairman of the Board of Directors to the close of the 2015 Ordinary Shareholders' Meeting*

4.3 Appointment of the Compensation Committee

Motions:

- a. *Appointment of Mr. Mario Germano Giuliani as member of the Compensation Committee to the close of the 2015 Ordinary Shareholders' Meeting*
- b. *Appointment of Mr. Hans Peter Hasler as member of the Compensation Committee to the close of the 2015 Ordinary Shareholders' Meeting*
- c. *Appointment of Mr Robert A. Ingram as member of the Compensation Committee to the close of the 2015 Ordinary Shareholders' Meeting*

The Board of Directors proposes to appoint three of its members to the Compensation Committee. In the interests of good corporate governance, these individuals should not be members of the Audit Committee. This disqualifies Prof. Riesenhuber and Dr Lanz as candidates.

5. Appointment of auditors

Motion: *Re-appointment of Ernst & Young AG, Zurich, as auditors of the annual financial statements and the consolidated financial statements for the 2014/2015 business year*

6. Appointment of independent proxy-holder

Motion: *Appointment of KBT Treuhand AG, Zurich, as independent proxy-holder to the close of the 2015 Ordinary Shareholders' Meeting*

7. Reduction of share capital: Cancellation of own shares

Motion: (1) *Reduction of share capital of CHF 520'650'000 to a minimum CHF 468'000'000 by cancelling a maximum of 900'000 registered shares at a par value of CHF 58.50 each;*

(2) *Formal acknowledgement of the audit report from Ernst & Young AG, which states that creditor receivables are covered in full even after the share capital has been reduced;*

(3) *Amendment of Art. 3 of the Articles of Association, concerning share capital, as follows (changes marked):*

"The share capital of the corporation is CHF ~~520'650'000.--~~ [CHF 468'000'000.--: final figure to be determined on the day of the Ordinary Shareholders' Meeting] and is divided into ~~8'900'000~~ [8'000'000] registered shares with a par value of CHF 58.50 each. All shares are fully paid in."

As part of the 2012 share buy-back programme, up to the date on which this invitation was sent out, the Company acquired a total of 334'600 of its own shares via a second trading line on SIX Swiss Exchange. Furthermore, the exercise of the put option issued to shareholders immediately prior to the invitation to the Ordinary Shareholders' Meeting will result in the sale to the Company of around 570'000 of its own shares. A maximum of 900'000 registered shares (corresponding to 10.1% of issued shares) should be cancelled at the Ordinary Shareholders' Meeting by means of the capital reduction. The Board of Directors will announce the final number of shares to be cancelled and the final number of remaining shares at the Ordinary Shareholders' Meeting.

8. Approval of a new share buy-back programme and capital reduction in principle

Motion: (1) *Authorisation for the Board of Directors to repurchase up to a maximum of 10% of the shares outstanding following the capital reduction in accordance with agenda item 7, under a new share buy-back programme over the next three years, in order to cancel those shares as part of a capital reduction;*

(2) *Under the share buy-back programme, reduction in share capital by a maximum of 10% of share capital (following the entry in the Commercial Register of the capital reduction adopted under agenda item 7) by means of the final and absolute cancellation of a maximum of 10% of share capital. The precise extent of the reduction is to be determined by the actual number of own shares repurchased under the buy-back programme;*

(3) *Formal acknowledgement of the audit report from Ernst & Young AG, which states that creditor receivables as at 20 June 2014 would remain*

covered in full even after the share capital has been reduced by the full extent provided for in the previous paragraph.

Following the institution of the accelerated share buy-back programme by means of the issue of put options to shareholders, which was decided on 12 May 2014, the share buy-back programme adopted in June 2012 was terminated with effect from 13 May 2014 for reasons connected with Swiss law of procedure. The Board of Directors would like to keep open the option of repurchasing more of the company's own shares in order to cancel them as part of a capital reduction. These buy-backs would be effected in the future depending on how business, available liquidity, and the markets develop.

The shares to be repurchased under the new buy-back programme are definitely intended for cancellation by means of a capital reduction. At a forthcoming ordinary shareholders' meeting, the Board of Directors will propose that those shares repurchased under this buy-back programme be cancelled (resolution implementing the – possibly lower – amount of the capital reduction) as well as the corresponding reduction in capital (amendment to the articles of association).

9. Amendment of the Articles of Association in line with the Ordinance against Excessive Compensation in Stock Exchange-Listed Companies (VegüV)

Motion: *Amendment of the Articles of Association as follows:*

Current version	Proposed new version (new/amended text in blue)
<p>Art. 8: <u>Powers</u></p> <p>The shareholders' meeting has the following powers:</p> <ul style="list-style-type: none"> a. To adopt and amend the Articles of Association; b. To appoint the members of the Board of Directors and the auditors; c. To approve the annual report and, to the extent legally required, the consolidated financial statements; d. To approve the annual financial statements and, after acceptance of the statutory auditors' report, to decide on the use of net earnings; 	<p>Art. 8: <u>Powers</u></p> <p>The shareholders' meeting has the following powers:</p> <ul style="list-style-type: none"> a. To adopt and amend the Articles of Association; b. To appoint the members of the Board of Directors, the Chairman of the Board of Directors, the members of the Compensation Committee, the auditors and the independent proxy-holder; c. To approve the business review and, to the extent legally required, the consolidated financial statements; d. To approve the annual financial statements and, after acceptance of the statutory auditors' report, to decide on the use of net earnings. e. To approve compensation paid to the Board of Directors and the Management in accordance with Art. 24 of these Articles of Association;

<p>e. To discharge from liability the members of the Board of Directors and those entrusted with the management of the company;</p> <p>f. To decide on all matters which are in its competence by law or pursuant to the Articles of Association, or which have been presented to it by the Board of Directors.</p> <p>Art. 10: <u>Calling of Shareholders' Meetings</u> ...</p> <p>The notice shall contain the following information: ...</p> <p>e. The statement that the annual report and the statutory auditors' report are kept at the registered office of the corporation for inspection by the shareholders and the information that copies of these documents will be provided on request.</p> <p>(Art. 12 cancelled)</p> <p>Art. 13: <u>Membership Rights, Voting Rights, Representation</u></p> <p>Membership rights can be exercised by persons who are recorded in the share register as holding voting rights on the cut-off date determined by the Board of Directors in each case and who are still in possession of their shares at the conclusion of the shareholders' meeting. The Board of Directors shall take the measures necessary to determine the voting rights.</p> <p>Each share carries one vote at the shareholders' meeting. Persons who have in one way or another participated in the management of the corporation have no right to vote with regard to resolutions concerning the discharge from liability of the Board of Directors.</p>	<p>ciation.</p> <p>f. To discharge from liability the members of the Board of Directors and those entrusted with the management of the company;</p> <p>g. To decide on all matters which are in its competence by law or pursuant to the Articles of Association, or which have been presented to it by the Board of Directors.</p> <p>Art. 10: <u>Calling of Shareholders' Meetings</u> ...</p> <p>The notice shall contain the following information: ...</p> <p>e. The statement that the annual report, the compensation report and the statutory auditors' reports are kept at the registered office of the corporation for inspection by the shareholders and the information that copies of these documents will be provided on request.</p> <p>Art. 12: <u>Membership Rights, Voting Rights, Representation</u></p> <p>Membership rights can be exercised by persons who are recorded in the share register as holding voting rights on the cut-off date determined by the Board of Directors in each case and who are still in possession of their shares at the conclusion of the shareholders' meeting. The Board of Directors shall take the measures necessary to determine the voting rights.</p> <p>Each share carries one vote at the shareholders' meeting. Persons who have in one way or another participated in the management of the corporation have no right to vote with regard to resolutions concerning the discharge from liability of the Board of Directors.</p> <p>The Board of Directors issues rules of procedure for participation in and representation at the shareholders' meeting, and sets out requirements for powers of attorney and voting instructions. A shareholder may, by written proxy, be represented at the shareholders' meeting by a person who need not be a shareholder, or by</p>
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A shareholder may, by written proxy, be represented at the shareholders' meeting by a person who need not be shareholder or, where appropriate, by an independent proxy or by a representative of the governing bodies or custody account. The Board of Directors shall decide on the validity of the power of attorney in such cases.

Art. 14: **The Shareholders' Meeting**

The shareholders' meeting is chaired by the Chairman of the Board of Directors. If he is unable to chair the meeting, the shareholders' meeting shall appoint a chairman.

The Chairman appoints the required vote tellers and a secretary who need not be shareholders or shareholders' representatives.

The Chairman takes all actions necessary to direct the discussions.

Art. 15: **Minutes**

Minutes of the discussion shall be prepared and signed by the Chairman and the secretary. The minutes shall record:

- a. The number, type, par value and class of shares represented by shareholders, the company representative, the independent shareholder representative and custody account representatives;
- b. Resolutions and elections;
- c. Requests for information and answers given thereto;
- d. Shareholders' statements requested to be recorded in the minutes.

Art. 16: **Resolutions**

...

the independent proxy-holder.

The shareholders' meeting appoints the independent proxy-holder for a period of office that lasts until the close of the next ordinary shareholders' meeting. Re-appointment is possible.

If the corporation does not have an independent proxy-holder, one will be appointed by the Board of Directors for the next shareholders' meeting.

Art. 13: **The Shareholders' Meeting**

The shareholders' meeting is chaired by the Chairman of the Board of Directors. *If he or she is unable to chair the meeting, the Board of Directors will appoint another of its members to take the chair. If no member of the Board of Directors is available, the shareholders' meeting will appoint a chairman.*

The Chairman appoints the required vote tellers and a secretary who need not be shareholders or shareholders' representatives.

The Chairman takes all actions necessary to direct the discussions.

Art. 14: **Minutes**

Minutes of the discussion shall be prepared and signed by the Chairman and the secretary. The minutes shall record:

- a. The number, type, par value and class of shares represented by shareholders *and by the independent proxy-holder*;
- b. Resolutions and elections;
- c. Requests for information and answers given thereto;
- d. Shareholders' statements requested to be recorded in the minutes.

Art. 15: **Resolutions** (numbering only)

...

B. The Board of Directors

Art. 17: **Eligibility and Term**

The Board of Directors shall consist of five or more members, who must be shareholders. The members of the Board of Directors are elected for a term of up to three years. Re-election is permitted. The period between two ordinary shareholders' meetings is considered one year.

Members of the Board of Directors may run for a new term of up to three years before the end of their term. The election of the Board members shall be organized in a way that the term of around one third of the Board members ends each year.

Art. 18: **Organization**

The Board of Directors constitutes itself. It shall appoint its Chairman and a Secretary. The Secretary need not be a member of the Board of Directors.

...

Art. 19: Duties

...

Art.19a: **Ultimate Management Responsibility**

...

Art.19b: Supervision and Monitoring

Supervising and monitoring the Management shall include the following tasks, in particular:

...

- c. Handling the annual report, the annual financial statements and the interim financial statements;
- d. Handling the reports produced by the statutory auditors.

Art. 20: **Management and its Delegation**

The Board of Directors may, except as reserved under Art. 716a CO, delegate man-

B. The Board of Directors

Art. 16: **Election and Term**

The Board of Directors shall consist of five or more members, who must be shareholders.

The shareholders' meeting elects the members of the Board of Directors and the Chairman of the Board of Directors individually for a term of office that lasts until the close of the next ordinary shareholders' meeting. Re-election is possible.

If the position of Chairman is vacant, the Board of Directors will nominate one of its number to serve as Chairman until the close of the next ordinary shareholders' meeting.

Art. 17: **Organization**

With the exception of the election of the Chairman and the members of the Compensation Committee, the Board of Directors constitutes itself. It appoints its Secretary, who need not be a member of the Board of Directors.

...

Art. 18: **Duties** (numbering only)

...

Art. 19: **Ultimate Management Responsibility** (numbering only)

...

Art. 20: **Supervision and Monitoring**

Supervising and monitoring the Management shall include the following tasks, in particular:

...

- c. Handling the **business review**, the annual financial statements and the interim financial statements, **and the compensation report**;
- d. Handling the reports produced by **the auditors**.

Art. 21: **Management and its Delegation**

The Board of Directors may, except as reserved under Art. 716a CO, delegate management in

agement in whole or in part, pursuant to the Organizational Regulations it shall adopt, to one or more members of the Board of Directors or to third persons.

...

Art. 21: **Authorized Representation**

...

(Arts. 22-25 cancelled)

Art. 26: **Compensation**

The members of the Board of Directors shall receive the compensation fixed by the Board of Directors in accordance with their involvement and their responsibility. However, no compensation shall be paid until the net asset value per share (with a par value of CHF 60) has exceeded CHF 100.

whole or in part, pursuant to the Organizational Regulations it shall adopt, to one or more members of the Board of Directors **or to other natural persons. Asset management may be delegated to legal entities.**

...

Art. 22: **Authorized Representation**
(numbering only)

...

Art. 23: **Compensation Committee**

The Compensation Committee comprises at least two members of the Board of Directors.

The shareholders' meeting appoints the members of the Compensation Committee individually for a period of office that lasts until the close of the next ordinary shareholders' meeting. Re-appointment is possible.

If there is a vacancy or vacancies on the Compensation Committee, the Board of Directors will nominate one or more of its number to serve as member(s) of the Compensation Committee until the close of the next ordinary shareholders' meeting.

The Compensation Committee constitutes itself. It appoints one of its members as its chairman. The Board of Directors shall otherwise issue rules on the organisation of the Compensation Committee and how it passes its resolutions.

The Compensation Committee supports the Board of Directors with the determination and review of compensation policy and guidelines and performance targets, as well as with the preparation of proposals to the shareholders' meeting concerning the compensation to be paid to the Board of Directors and Management. It may submit proposals to the Board of Directors on other compensation-related matters.

The Board of Directors shall determine in a set of regulations those functions of the Board of Directors and Management for which the Compensation Committee, with the Chairman of the Board of Directors or alone, shall propose performance objectives, target figures and compensation, or shall determine performance objectives, target figures and compensation itself as provided for in

these Articles of Association and in the guidelines on compensation issued by the Board of Directors.

The Board of Directors may allocate further duties to the Compensation Committee.

Art. 24: **Approval of Compensation by the Shareholders' Meeting**

The shareholders' meeting approves each individual proposal by the Board of Directors with regard to total amounts:

- a. Of the maximum fixed part of compensation to members of the Board of Directors for the period up to the next ordinary shareholders' meeting;
- b. Of the variable part of compensation to members of the Board of Directors for the financial year just ended;
- c. Of the maximum fixed part of compensation to members of Management for the period from 1 July of the current calendar year to 30 June of the following calendar year.
- d. Of the variable part of compensation to members of Management for the financial year just ended.

The Board of Directors may submit alternative and additional proposals with regard to the same or other time periods to the shareholders' meeting.

Should the shareholders' meeting reject one of the proposals of the Board of Directors, the Board of Directors shall consider all of the relevant circumstances and set a corresponding maximum amount or several maximum sub-amounts, and must submit this (or these) to the shareholders' meeting for approval.

Subject to its retroactive approval, the corporation, or companies controlled by it, may pay out compensation prior to its approval by the shareholders' meeting.

Art. 24a: **Compensation in the Event of Changes to Management**

The corporation or companies controlled by it is/are authorised to pay any member of Management joining Management after compensa-

tion has been approved by the shareholders' meeting an additional amount for the duration of the compensation period(s) that has/have already been approved, if the compensation that has already been approved is not sufficient to cover this new member's compensation. For each compensation period, this additional amount may not exceed 60 percent of the most recently approved total maximum amounts for fixed and variable compensation to Management.

Art. 24b: **Forms of and criteria for compensation**

In addition to fixed compensation, members of the Board of Directors and Management may be paid a variable component of compensation that is determined by the achievement of specific performance objectives.

Such performance objectives may be personal objectives, corporate and division-specific objectives, or objectives set relative to the market, to other companies or to comparable benchmarks, taking into account the function and level of responsibility of the recipient of such variable compensation. The Board of Directors or the Compensation Committee shall determine the weightings of performance objectives and the individual target figures.

Compensation may be paid in the form of money, shares, in kind or in the form of services; compensation to members of Management may also be granted in the form of options, comparable instruments, or units. The Board of Directors or the Compensation Committee shall determine the terms of allocation and exercise, as well as exercise periods and any retention periods, and the terms that apply at maturity. It may provide that, should certain pre-determined events take place, such as a change of control or the termination of an employment or mandate relationship, exercise terms and periods and holding periods may be shortened or cancelled, compensation may be paid on the assumption that target figures have been reached, or that compensation already paid out is forfeited. The corporation may acquire the necessary shares on the market or in the form of a conditional capital increase.

Compensation may be paid by the corporation itself or by companies controlled by it.

Art. 25: **Contracts with Members of the Board of Directors and Management**

The corporation or companies controlled by it may conclude fixed-term or permanent compensation contracts with members of the Board of Directors. The duration and termination of such contracts depends on length of service and the provisions of law.

The corporation or companies controlled by it may conclude fixed-term or permanent employment contracts with members of Management. Fixed-term employment contracts have a maximum term of one year. They may be extended. Permanent employment contracts have a maximum period of notice of twelve months.

Such contracts may include a non-compete clause extending for no longer than one year beyond the end of the employment contract. Compensation for such a non-compete clause may not exceed the most recent annual compensation paid to the member in question.

Art. 25a: **Loans**

Loans to members of the Board of Directors and Management may be granted on market terms only and may not exceed the amount of one year's compensation for each member.

Art. 26: **External Directorships**

No member of the Board of Directors may assume more than ten additional directorships, no more than five of which may be with stock exchange-listed companies.

No member of Management may assume more than five directorships, no more than two of which may be with stock exchange-listed companies.

The following are exempt from the foregoing restrictions:

- (a) Directorships of companies that are controlled by or control the corporation;
- (b) Directorships that a member of the Board of Directors or Management assumes on the instructions of the corporation or companies controlled by it, specifically of portfolio companies. Any compensation for

<p>C. <u>The Auditors</u></p> <p>Art. 27: <u>Election and Term</u></p> <p>The shareholders' meeting shall elect an auditing company subject to governmental supervision as required by law for each business year. The term ends with the shareholders' meeting during which the report for the corresponding business year is presented. Re-election is possible.</p> <p>Art. 31: <u>Business Report</u></p> <p>Each business year the Board of Directors shall prepare a business report which shall consist of the annual financial statements, the annual report and, where required, the consolidated financial statements.</p>	<p>such mandates shall be surrendered to the corporation. No member of the Board of Directors or Management may hold more than ten such directorships; and</p> <p>(c) Directorships or trusteeships of associations, charitable organisations, foundations, trusts and employee pension institutions. No member of the Board of Directors or Management may hold more than ten such directorships or trusteeships.</p> <p>"Directorship" or "Trusteeship" refers to a mandate the superior managing body of a legal entity, resulting in entry in the Swiss Commercial Register or in an equivalent foreign register. Directorships or trusteeships of different legal entities which are under the same control or which have the same beneficial owners are deemed to be one directorship or trusteeship in the sense of this article.</p> <p>C. <u>The Auditors</u></p> <p>Art. 27: <u>Election and Term</u></p> <p>The shareholders' meeting shall elect an auditing company subject to governmental supervision as required by law for each business year. The term ends with the close of the shareholders' meeting during which the report for the corresponding business year is presented. Re-election is possible.</p> <p>Art. 31: <u>Business Report</u></p> <p>Each business year the Board of Directors shall prepare a business report which shall consist of the annual financial statements, the business review and, where required, the consolidated financial statements.</p>
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Although the changes to the Articles of Association in line with the Ordinance Against Excessive Compensation in Stock-Exchange-Listed Companies (VegüV), which entered into force on 1 January 2014, do not have to be effected until 2015, the Board of Directors would like to complete the revision in 2014 in the interests of transparency and planning certainty. At the same time, the revision creates the necessary basis in the Articles of Association for the compensation matters which will be dealt with for the first time by the Ordinary Shareholders' Meeting of 2015.

10. Proposal by Alpine Select AG to cancel percentage transfer restrictions

In its agenda item request dated 11 April 2014, Alpine Select AG proposes amending Art. 6 of the Articles of Association so that it would read as follows:

"Art. 6: **Transfer of Registered Shares**

Any entry as a shareholder in the share register requires proof of acquisition of the registered share or the creation of usufruct.

The transfer of title to or usufruct of shares in the corporation requires the approval of the Board of Directors. The Board of Directors may withhold such approval or refuse entry in the share register as a shareholder with voting rights only if the acquirer does not declare explicitly, when asked to do so by the corporation, that they have acquired the shares in their own name and on their own account. The Board of Directors will also recognise the corresponding declarations by legal entities.

From the cut-off date determined by the Board of Directors until the day following the shareholders' meeting, no entry into the share register shall be made."

Recommendation of the Board of Directors: Rejection of the proposal by Alpine Select AG concerning the amendment to Art. 6 of the Articles of Association

The currently applicable Art. 6 para. 2 of the Articles of Association sets out the right of the Board of Directors to withhold approval for the transfer of registered shares if the number of registered shares held by the acquirer exceeds 10% of the aggregate shares registered in the Commercial Register. The Board of Directors would like to retain this option for limiting the number of shares with voting rights that may be held by a single shareholder or a pool of shareholders, as is expressly provided for in law. The 10% threshold is set relatively high. Without a 10% restriction on entry in the share register and voting rights, a small numerical minority of shareholders would be able to take control of the Company without recompense to the other shareholders, or having to submit a takeover offer to them. The Board of Directors regards this as undesirable, especially because the Company has substantial shareholdings in unlisted companies, the true value of which is difficult to assess.

11. Miscellaneous

Documentation

The 2013/2014 business report, including the annual report, the statutory financial statements, the consolidated financial statements, as well as the reports of the auditors, is sent out to all shareholders entered in the Shareholders' Register unless they have requested not to receive a copy. It is also available for review at Bundesplatz 1, 6300 Zug, Monday to Friday from 9.00 am to 5.00 pm. It can be ordered from the same address. Please call +41 (0)41 768 11 08. The same applies to the Ernst & Young AG audit reports with regard to agenda items 7 and 8. The business report is also available on the www.hbmhealthcare.com website.

Admission cards / voting materials

Shareholders who are entered in the Shareholders' Register with the right to vote as at 5.00 pm on 10 June 2014 (the qualifying date) will receive the invitation as well as, upon request, a personal admission card and the voting materials directly from the company.

Shareholders who are entitled to vote according to the Shareholders' Register as of the qualifying date may participate in the Ordinary Shareholders' Meeting. Each share carries one vote. Shareholders who have sold their shares before the Ordinary Shareholders' Meeting takes place are no longer entitled to vote.

Granting of powers of attorney

Shareholders who do not participate in person in the Ordinary Shareholders' Meeting may appoint as a representative a different shareholder, a third party, or Mr Reto Leeman, chartered fiduciary agent, KBT Treuhand AG, Zimmergasse 16, 8032 Zurich, as independent proxy holder in the sense of Art. 689c of the Swiss Code of Obligations. Granting of powers of attorney to members of governing bodies or custody accounts is illegitimate.

The power of attorney on the registration form must be filled in accordingly, signed and returned to the independent proxy holder, or to the Shareholders' Register at SIX SAG Ltd, Baslerstrasse 90, CH-4600 Olten, by 17 June 2014 at the latest.

In the absence of any specific instructions, the independent proxy-holder will be deemed to have been instructed to exercise the voting right in favour of the motions of the Board of Directors. This also applies to motions put forward in the Ordinary Shareholders' Meeting.

Admissions office

The admissions office opens at 2.00 pm on the day of the Ordinary Shareholders' Meeting. Shareholders are asked to present their admission cards at the entrance.

Registration

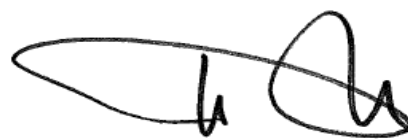
We ask you kindly to return the registration form by 17 June 2014 if you intend to participate in the Ordinary Shareholders' Meeting.

Reception

The Board of Directors is pleased to invite you to a reception after the meeting.

Zug, 27 May 2014

On behalf of the Board of Directors
The Chairman:

A handwritten signature in black ink, appearing to read 'Hans Peter Hasler', written over a horizontal line.

Hans Peter Hasler